

THE GOODYEAR TIRE & RUBBER COMPANY

OF CANADA, LIMITED

NEW TORONTO, ONTARIO

GOODYEAR
MADE IN CANADA

ANNUAL REPORT
1930



The Goodyear Tire & Rubber Company
of Canada, Limited

ANNUAL REPORT

TO THE SHAREHOLDERS

For the Fiscal Year ending September 30th, 1930

New Toronto, Ontario

ANNUAL REPORT OF THE DIRECTORS

OF

The Goodyear Tire & Rubber Company

of Canada, Limited

Toronto, October 31st, 1930.

To the Shareholders:—

Your Board of Directors submits the Consolidated Balance Sheet of The Goodyear Tire & Rubber Company of Canada, Limited, and its subsidiary Companies as of September 30th, 1930 certified by your Auditors, which sets forth the results of the business for the past fiscal year and the financial position of the combined Companies.

The operations of the combined Companies have resulted in a profit of \$2,407,586.53 before providing for depreciation but after deducting income tax; from this amount there has been set aside a reserve of \$857,182.53 for depreciation on buildings and equipment, leaving a net profit of \$1,550,404.00. This amount of profit is determined after providing for all manufacturing, selling and administrative expenses and income taxes and after writing down the inventories of rubber and fabric and finished stocks to the basis of market prices prevailing at the close of business on September 30th. A reserve of \$410,169.60 has also been established against raw material commitments in order to place these also on the basis of the prices prevailing on September 30th.

In the year ending September 30th, 1929 the Companies' net profits were \$3,488,142.81. The decline in the results of this past year was due chiefly to the general depression in business which was reflected in a falling off in our volume of sales to car manufacturers and for export business and to the decline in the market prices of both cotton and rubber, cotton having declined from 18.85c as of September 30th, 1929 to 10.35c as of September 30th, 1930 (a decrease of 45%) and rubber from 19-7/8c as of September 30th, 1929 to 7 1/2c as of September 30th, 1930 (a decrease of 62%) being the lowest point in the history of the rubber industry.

Since the present market prices of these products are well below the cost of production, it is our belief that they will gradually rise to higher levels.

It will be noted that the earnings for the year, however, were sufficient to pay the usual dividend on the Preferred stock and \$7.50 a share on the Common stock and to increase the earned surplus by \$66,258.00. The earnings applicable to the Common stock were equivalent to \$8.00 a share.

The following summary sets forth the disposition of the earnings of the past year:—

2,335 shares of Preferred stock re- deemed	\$ 233,500.00
Dividend of 7% on Preferred stock	519,421.00
Dividends of \$5.00 per share on Com- mon stock	643,150.00
Bonus of \$2.50 per share on Common stock	321,575.00
Expenditures for additions to plant and equipment	1,902,924.13
Increase in deferred charges	3,522.38
	<hr/> \$3,624,092.51

DEDUCT:—

Funds for above disburse- ments derived from sale of Bonds of Goodyear Cotton Co. of Canada Limited	\$400,500.00
Funds provided from work- ing capital, including reserve for raw material commit- ments, etc	816,005.98
	<hr/> 1,216,505.98
	<hr/> \$2,407,586.53

By reference to the Balance Sheet it will be seen that the Companies have no borrowed money and that the cash balances, consisting of cash, Bonds and Call Loans, aggregate \$4,508,515.99. The total current assets amount to \$9,997,162.78 or over 21 times the current liabilities of \$459,257.43.

The outstanding Accounts Receivable have been carefully reviewed and although collections in Western Canada have not been entirely satisfactory, we feel that the reserve of \$109,239.07 established for bad and doubtful debts is sufficient for this purpose.

Our export business has been adversely affected owing to retarded business conditions in most countries throughout the world. We were especially affected by the boycott on British Empire goods in India, by a special tariff in New Zealand and by disturbed political conditions in South America.

Your Company has always enjoyed a large percentage of the Canadian car manufacturers' business. This percentage has been maintained throughout the year, but owing to a material reduction in the output of motor cars, our sales to car manufacturers have correspondingly decreased. For the past year we enjoyed the highest percentage of dealers and consumers business in the history of the Company. This speaks well for the product, for the Sales organization and for our business policy.

For the past two fiscal years we have expended rather large sums on plant and equipment. Your plants now are adequately, efficiently and economically equipped and for the next two or three years there should be little money required for plant extension.

We do not look for a rapid recovery of business conditions nor for the immediate restoration of prices to the average level of the last five years. Conditions will likely improve slowly but soundly. We anticipate that both the motor car industry and the tire industry will show a marked improvement in volume of sales over that of our fiscal year just closed.

It is the opinion of your Board that the fiscal year of the Company should be changed to correspond with the calendar year, consequently the next Annual Report to the Shareholders will cover a period of fifteen months.

For the Board of Directors

C. H. CARLISLE,
President and General Manager.

PRICE, WATERHOUSE & CO.

Chartered Accountants

ROYAL BANK BUILDING

TORONTO, CANADA

October 27, 1930.

To the Shareholders of

THE GOODYEAR TIRE AND RUBBER COMPANY OF CANADA, LIMITED:

We have examined the books and accounts of The Goodyear Tire and Rubber Company of Canada, Limited and its subsidiary companies for the year ending September 30, 1930.

We have satisfied ourselves that all charges to Property Accounts are in respect of actual additions, and sufficient provision has been made for accruing depreciation. The stocks on hand have been taken and valued by the Companies at cost or market prices, whichever were lower; the bad debt reserve is considered sufficient to provide for all doubtful accounts; the bank balances and call loans were confirmed by certificates, and we have taken all reasonable precautions to satisfy ourselves that all liabilities as at September 30, 1930 are included in the Balance Sheet.

And we certify that the annexed Consolidated Balance Sheet is drawn up so as to show the true financial position of the Company and its subsidiaries as of that date and the results from the operations for the year ending September 30, 1930 according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO.,
Auditors.

THE GOODYEAR TIRE & RUBBER and SUBSIDIARY

CONSOLIDATED BALANCE SHEET

ASSETS

CURRENT AND WORKING ASSETS:

Cash	\$1,472,740.99	
Call loans and Govern- ment bonds	<u>3,035,775.00</u>	\$4,508,515.99
Accounts receivable	\$2,479,037.43	
Less—Reserve for bad and doubtful accounts	<u>109,239.07</u>	
		2,369,798.36
Inventories at cost or market, whichever is lower:		
Finished goods	\$1,752,790.83	
Goods in process	274,549.65	
Raw materials and sup- plies	<u>1,091,507.95</u>	
		<u>3,118,848.43</u>

\$ 9,997,162.78

REAL ESTATE, BUILDINGS, PLANT, MACHINERY AND EQUIPMENT:

12,631.165.53

DEFERRED CHARGES TO OPERATIONS:

Insurance, taxes and rents paid in advance	73,689.84
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\$22,702,018.15

COMPANY OF CANADA, LIMITED

COMPANIES

SEPTEMBER 30, 1930

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	\$ 302,295.24
Miscellaneous	156,962.19

RESERVES:

For depreciation of buildings, plant, machinery and equipment	\$ 4,964,821.13
For raw material commitments	410,169.60

\$ 459,257.43

SIX PER CENT. FIRST MORTGAGE SINKING FUND GOLD BONDS DUE SEPTEMBER 1, 1949, OF THE GOODYEAR COTTON CO. OF CANADA, LIMITED:

Authorized and issued	\$ 2,000,000.00
Less—In treasury	553,500.00

5,374,990.73

CAPITAL STOCK:

Seven per cent. Cumulative Preferred Stock:

Authorized—195,000 shares of \$100.00 each	\$19,500,000.00
Issued and fully paid—	
79,498 shares of \$100.00 each	\$ 7,949,800.00
Less—Redeemed 5,295 shares	529,500.00

1,446,500.00

Common Stock:

Authorized—145,330 shares of no par value of which 128,630 shares have been issued	\$ 128,630.00
Capital surplus	463,068.00

7,420,300.00

SURPLUS:

Balance as of October 1, 1929	
Profit for year ending September 30, 1930 before providing for depreciation, but after deducting income tax	\$2,407,586.53
Less—Reserve for depreciation	857,182.53
	1,550,404.00
	\$ 8,893,417.99

591,698.00

Deduct—Dividends:

On seven per cent. Preferred Stock	\$ 519,421.00
On no par value Common Stock	964,725.00

1,484,146.00

7,409,271.99

\$22,702,018.15

BOARD OF DIRECTORS

P. W. LITCHFIELD

Chairman

AKRON

C. H. CARLISLE

TORONTO

C. B. McNAUGHT

TORONTO

J. E. McALLISTER

TORONTO

P. A. THOMSON

MONTREAL

C. C. SLUSSER

AKRON

C. A. STILLMAN

AKRON

EXECUTIVE OFFICERS

C. H. CARLISLE

President and General Manager

C. B. McNAUGHT

Vice-President

J. G. LANE

Assistant to the President and
Treasurer

R. C. BERKINSHAW

Secretary and
General Counsel

W. H. JEEVES

Assistant Treasurer

H. A. TIPPLE

Assistant Secretary and
Assistant Comptroller

B. W. LANG

Assistant Comptroller

D. J. McCARTHY

General Sales Manager

E. H. KOKEN

General Superintendent

R. P. D. GRAHAM

Manager, Export Department

The Goodyear Tire & Rubber Company of Canada, Limited

General Offices: NEW TORONTO, ONT.

Factories: { NEW TORONTO, ONT.
BOWMANVILLE, ONT.

VANCOUVER, B.C.	Cor. Nelson and Hamilton Sts.
CALGARY, ALTA.	335 8th Ave. West
EDMONTON, ALTA.	10229 105 St.
SASKATOON, SASK.	Cor. 24 St. and Pacific Ave.
REGINA, SASK.	Cor. Broad St. and 6th Ave.
WINNIPEG, MAN.	97 Higgins Ave.
LONDON, ONT.	318 Dundas St.
WINDSOR, ONT.	Hanna Ave. (near Mercer)
HAMILTON, ONT.	20 George St.
TORONTO, ONT.	152 Simcoe St.
OTTAWA, ONT.	246 Queen St.
MONTREAL, QUE.	318 St. James St.
QUEBEC, QUE.	Cor. Crown and Fleury Sts.
ST. JOHN, N.B.	83 Prince William St.
HALIFAX, N.S.	84 Hollis Street

Wholesale Distributors at Victoria, B.C., Lethbridge, Alta.,
and Sydney, N. S.

Over Five Thousand Canadian Retail Dealers carry stocks of
Goodyear Made-in-Canada Automobile Tires.

PRINCIPAL

GOOD YEAR

The Greatest Name in Rubber

PRODUCTS

Tires and Tubes

TIRES:—Pneumatic, Automobile, Truck, Bus, Airplane and Motorcycle.
Solid and Cushion Truck Tires.

TUBES:—Automobile, Truck and Bus (Regular and Heavy Tourist), Airplane, Motorcycle (Endless and Butt End).

ACCESSORIES:—For all Pneumatic Type Tires and Tubes, Rubber Tire Chains, Repair Fabric and Gum, Rims and Parts, Rubber Cements, Tubing, Vulcanizers' Supplies.

Mechanical Rubber Goods

BELTING:—Conveyor, Elevator, Transmission, Miscellaneous.
Automobile Fan Belts.

HOSE:—Garden, Air Drill, Water, Pneumatic Tool, Steam, Radiator, Suction, Fire, Miscellaneous.

PACKINGS:—Hydraulic, Piston and Rubber and Asbestos Sheet Packing for Steam, Water and Air.

MISCELLANEOUS:—All kinds Rubber Mats and Matting, Bumpers, Valves and Molded Goods of all Descriptions, etc.

GOODYEAR WINGFOOT RUBBER HEELS AND SOLES.







